

Budget Summary

Table of Contents

Adopted Budget (all funds) Summary19

Capital Budget24

Net Budget26

Impact on Taxpayers28

General Fund Summary29

General Fund (Main Subfund) Reserves32

Ten-Year Trends.....33

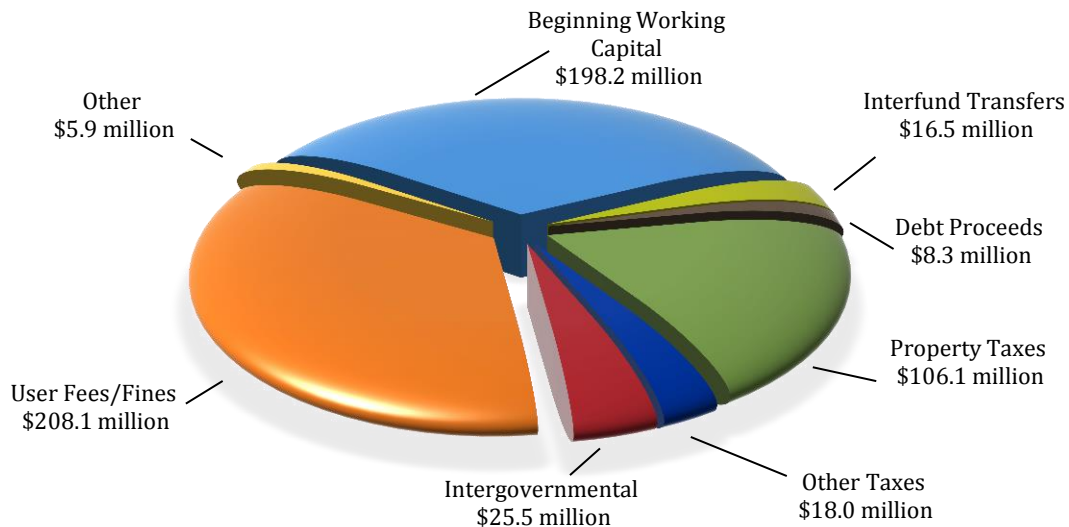
FTE Summary and Trends.....35

This page intentionally left blank

All Funds Summary

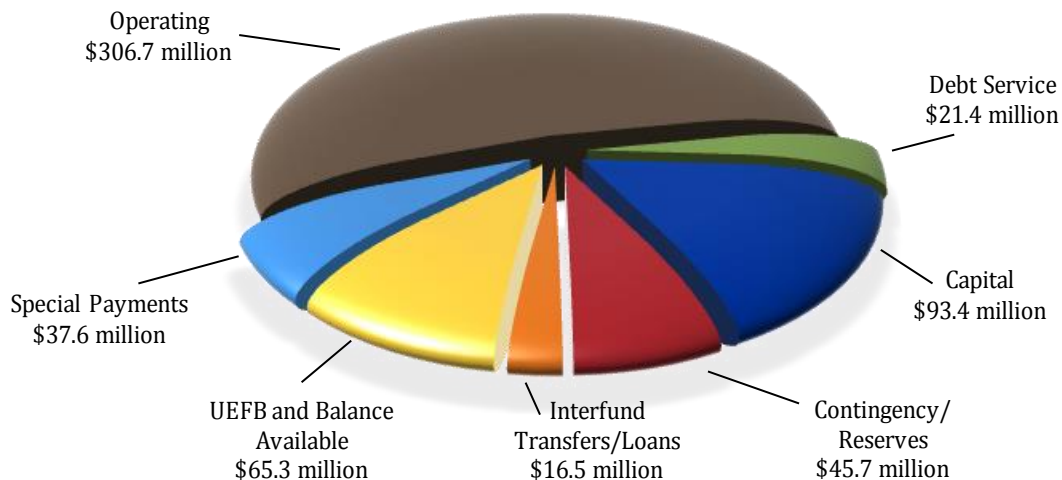
The total FY16 Adopted Budget for the City of Eugene is \$586.6 million, a 3.4% increase from the FY15 Adopted Budget. When internal expenditures and transfers are omitted, the FY16 Adopted net budget is \$493.9 million, an increase of 2.2% from the FY15 Adopted net budget.

Total Resources — \$586.6 Million

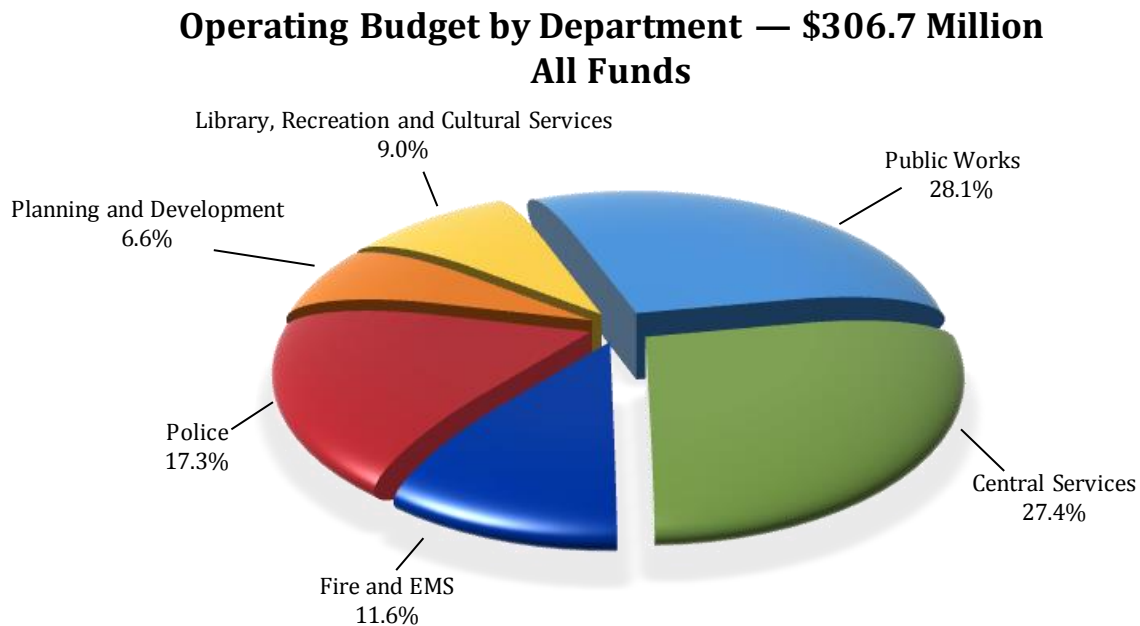


User fees and fines provide 53.6% of the operating revenues, followed by property tax receipts which provide 27.3% of operating revenues. The largest requirement is for the operating budget, at \$306.7 million. The budget is balanced under Oregon Budget Law, meaning that resources equal requirements.

Total Requirements — \$586.6 Million



The FY16 Adopted Operating Budget totals \$306.7 million, with Public Works comprising the largest share at 28.1%:



The operating budget has three components: Personnel Services, Materials and Services, and Capital Outlay.

Personnel Services

Personnel Services, which are comprised primarily of wages and fringe benefits, account for 56.3% of operating expenses in the total City budget, 76.2% in the General Fund operating budget, and is the largest share of both. Because personnel costs represent such a large percentage of the City's operating costs, management has been actively working to achieve permanent personnel cost savings over the last several fiscal years. These savings are essential to achieving long-term financial stability in all funds.

Employee Wages

Budgeted wages are determined by contracts for represented employees and by the Executive Management Team for non-represented employees. Represented employees are budgeted to receive wage increases pursuant to their specific bargaining agreements. At the time of the FY16 Adopted Budget publication, the American Federation of State, County, and Municipal Employees (AFSCME), Eugene Police Employee Association (EPEA), and a new union, the International Association of Firefighters (IAFF), Battalion Chiefs, Local 851, were the bargaining units with contracts in place for FY16. The other two bargaining units, the International Association of Fire Fighters (IAFF) and International Alliance of Theatrical Stage Employees (IATSE), did not have contracts in place covering FY16 cost of living adjustments (COLAs).

Budget Summary

Adopted Budget (all funds) Summary

Bargaining Unit	FY16 COLA
AFSCME (American Federation of State, County, and Municipal Employees)	Per contract, minimum 2.0%, maximum 4.0% COLA on 7/1/15
EPEA (Eugene Police Employee Association)	Per contract, 2.0% COLA on 7/1/15
IAFF (International Association of Fire Fighters)	No contract in place at the time of budget adoption
IAFF, Battalion Chiefs	Equivalent to COLAs for respective positions
IATSE (International Alliance of Theatrical Stage Employees)	No contract in place at the time of budget adoption
Non-Represented Employees	3.0% COLA on 7/1/15

Employee Retirement Plan Expenses

Retirement plan expenses, at \$24.8 million, are the third largest component of the Personnel Services costs, after wages and health care costs.

The FY16 increase in retirement costs for all funds is \$2.4 million, which represents a 10.7% increase from the FY15 Adopted Budget level. Of this amount, \$1.5 million is in the main subfund of the General Fund and the remaining \$0.9 million is in other funds. The increase in FY16 retirement costs is primarily due to increases in Public Employees Retirement System (PERS) employer contribution rates for Tier 1 and 2 employees, as well as public safety Oregon Public Service Retirement Plan (OPSRP) employees. The City continues to address retirement costs by stabilizing the number of full-time employees (FTEs) and through a changing workforce that is shifting from PERS to the lower cost OPSRP plan by either attrition and/or new hire personnel replacement.

The Oregon Public Employee Retirement System (PERS) expenses for Tier 1 and Tier 2 employees (those hired before August 29, 2003) continue to be the largest category, but retirement costs also include payment on the pension bonds. The State legislature determines pension system benefit levels and the PERS Board sets employer contribution rates. These rates are adjusted every other year by PERS, leaving the City very little control over its retirement costs. For Tier 1 and 2 employees, the FY16 employer contribution rates are 17.5% of gross wages, up from 14.1% in FY15. It is anticipated that these numbers will increase in FY18 due to continued amortization of past service costs and the Oregon Supreme Court PERS ruling issued in April 2015.

Budget Summary

Adopted Budget (all funds) Summary

OPSRP was created by the Oregon State Legislature for public employees hired on or after August 29, 2003, and is administered by the PERS Board. OPSRP is a hybrid retirement plan with two components: a Pension Program (defined benefit) and an Individual Account Program (defined contribution). Approximately 47% of the City's employees are currently in the OPSRP system. For sworn public safety employees, the FY16 OPSRP employer contribution rate is 14.16% of gross wages. For general service employees, the OPSRP employer contribution rate is 10.05% of gross wages.

The FY16 Adopted Budget assumes a 0.25% increase in the pension bond rate, bringing the FY16 pension bond rate to 6.00%. The City's Pension Obligation bonds were issued in FY02 to pay off the estimated unfunded PERS actuarial liability at that time. The increase was necessary to ensure there will be sufficient funds to make debt payments over the remaining life of the bonds.

Total retirement costs include the employer share of PERS/OPSRP costs, the employee share of PERS/OPSRP costs (which is paid by the City, except for IAFF members who pay the employee share themselves), and pension bond costs. The following chart sets out the total retirement rates as a percentage of payroll:

Retirement Cost	% of Payroll
Employer Share	
Tiers 1 and 2	17.50%
OPSRP General	10.05%
OPSRP Police and Fire	14.16%
Employee Share *	6.00%
Pension Bond	6.00%
Total Retirement Cost Range	22.05% - 29.50%

* Paid by the City except for IAFF members, who pay the employee share of PERS/OPSRP costs

Employee Health Care

Health benefits, budgeted at \$25.9 million in FY16, are the second largest component of Personnel Services expenses after wages. The FY16 Adopted Budget for health benefits represents an increase of \$1.7 million, or 7.2%, from the FY15 Adopted Budget due to increases in health insurance premiums.

City employees contribute to the cost of health insurance. The following table summarizes FY16 employee contributions towards health care costs by bargaining unit.

Budget Summary

Adopted Budget (all funds) Summary

Employee Group	FY16 Employee Share of Health Insurance Premium
AFSCME (American Federation of State, County, and Municipal Employees)	8% of health insurance premium
EPEA (Eugene Police Employees Association)	5% of health insurance premium with a maximum based on a tiered rate (single, two-party and family)
IAFF* (International Association of Fire Fighters)	5% of health insurance premium with a maximum based on a tiered rate (single, two-party and family)
IAFF, Battalion Chiefs	5% of health insurance premium based on a tiered rate (single, two-party and family)
IATSE* (International Alliance of Theatrical Stage Employees)	8% of health insurance premium for the City Health Plan (PPO) and the City Managed Care Plan (POS) or 4% of the premium for the City Hybrid Plan (POS), based on a tiered rate (single, two-party and family)
Non-Represented Employees	8% of health insurance premium for the City Health Plan (PPO) and the City Managed Care Plan (POS), or 4% of the premium for the City Hybrid Plan (POS), based on a tiered rate (single, two-party and family)

* IAFF and IATSE did not have contracts in place covering FY16 at the time of FY16 budget adoption. The FY16 Employee Share of Health Insurance Premiums for these groups are assumptions based on current contract provisions.

Materials and Services Inflation

The inflation increase for Materials and Services for FY16 is 1.3%. This increase is based on the State of Oregon forecast from November 2014 for the FY16 Consumer Price Index for All Urban Consumers (CPI-U). The total departmental materials and services budget for FY16 for all funds is \$125.4 million. This is \$8.1 million or approximately 6.9% greater than the FY15 Adopted Budget. For the General Fund (all subfunds), Materials and Services is projected to increase by \$1.5 million or 4.8%, largely due to increases in internal service fund rates for information technology, facilities maintenance, risk, fleet, and professional services for various projects.

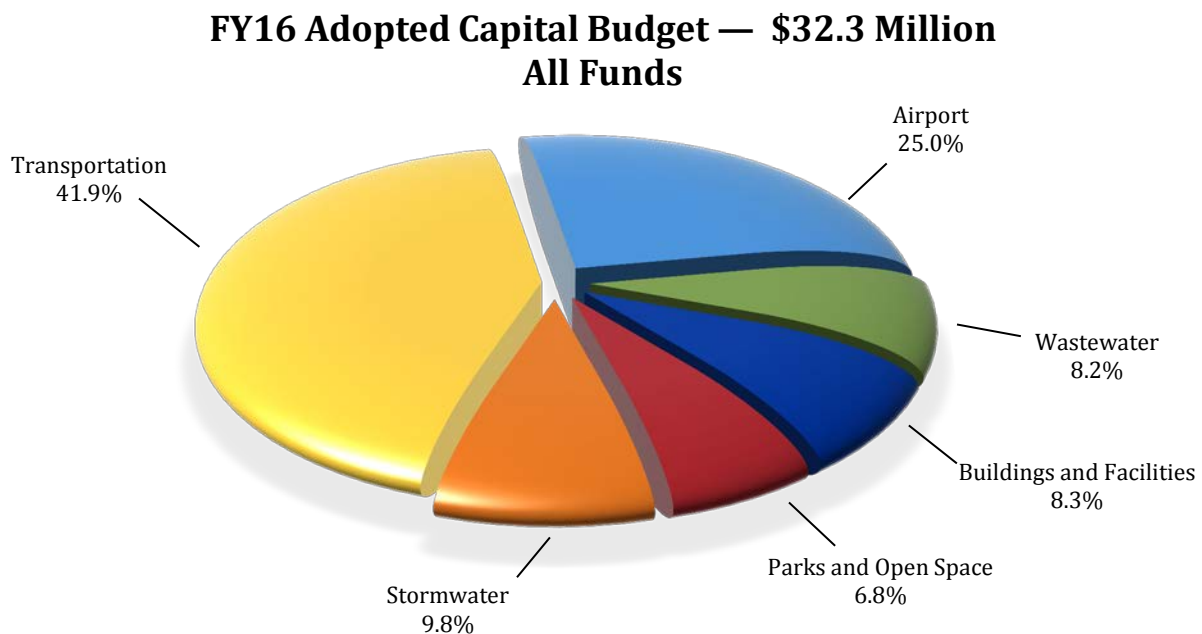
Capital Outlay

Capital Outlay is budgeted at \$8.5 million for FY16, which is approximately \$0.6 million or 7.0% more than the FY15 Adopted Budget. Additional Capital Outlay spending in FY16 is mostly attributable to increases for Wastewater Collection and Treatment. Capital Outlay is best defined as budgeted departmental expenditures for materials and supplies with a useful life of more than one year and a cost greater than \$5,000, such as specialized computer equipment.

Preparation of the Adopted Capital Budget is guided by the City's Capital Improvement Program (CIP). The CIP forecasts the City's capital needs over a six-year period based on various long-range plans, goals, and policies, as well as projected availability of funding from various sources. The CIP is updated every two years and is reviewed by citizens, the Budget Committee, and the City Council. The FY16 Adopted Capital Budget is based on the first year of the FY16-21 CIP that was approved by the City Council on March 9, 2015.

The FY16 Adopted Budget for new capital projects is \$32.3 million, an increase of approximately \$5.7 million from the FY15 Adopted Budget, excluding prior year carryovers. Capital projects are typically budgeted in their entirety in their first year, and unspent appropriation balances are carried forward from year-to-year for those projects that require multiple years to complete. Capital spending can change dramatically from year-to-year due to the size of projects initiated, the length of time to complete the projects, and the resources available, especially those from Federal and State sources.

Capital projects are organized into six main project categories. Transportation and Airport categories comprise two-thirds of the FY16 Adopted Capital Budget:



The total Adopted Capital Budget by category and some of the larger FY16 capital projects are as follows:

- **Airport** - \$8.1 million, including \$6.4 million for the terminal building expansion, \$1 million for the 2016 master plan update, \$400,000 for ramp rehabilitation, and \$250,000 in various improvement projects.
- **Parks and Open Space** - \$2.2 million, including \$882,000 for site renovation and rehabilitation projects, \$575,000 in park land acquisition, \$500,000 for the EWEB Riverfront park planning and development, and \$150,000 for ADA park improvements.

- **Buildings and Facilities** - \$2.7 million, including \$1.2 million dedicated to the preservation of existing facilities, \$681,000 for building service systems, and \$463,000 on health, safety and welfare.
- **Stormwater** - \$3.2 million, including \$1.1 million for stormwater rehabilitation activities, \$500,000 for underground injection control facility removal, \$500,000 for street and alley preservation, and \$350,000 for stream bank stabilization.
- **Transportation** - \$13.5 million, including \$7.8 million for street rehabilitation related to the 2012 street bonds, \$3.3 million for street and alley preservation, \$926,000 for the Commerce to Connector path, and \$516,000 for work on bike paths.
- **Wastewater** - \$2.7 million, including \$1.8 million for rehabilitation of the wastewater system and \$450,000 for pump station rehabilitation.

The City of Eugene's FY16 Adopted net budget is \$493.9 million, an increase of 2.2% from the FY15 Adopted net budget. The net budget is a more realistic picture of City finances because it subtracts internal charges, transfers and loans, which are budgeted twice; once in the paying fund and also in the receiving fund.

For example, if a department budgets for the purchase of a vehicle, it is included in the department's budget as a payment to an internal service fund. That internal service fund actually purchases the vehicle and records the cost of the purchase in its operations, so the cost of the vehicle is budgeted twice. This is standard accounting practice for local governments. The net budget removes the amount budgeted in the internal service fund for that vehicle and similar transactions. It also removes transfers and loans from one fund to another in the Non-Departmental portion of the budget.

The budget is divided into two categories: Department (Department Operating Budgets, including internal charges) and Non-Departmental (Debt Service, Capital Budget, Special Payments, Contingency/Reserves, Interfund Transfers and Loans, and UEFB/Balance Available). Net department operating expenditures across all funds are up by 6.4% compared to the FY15 Adopted Budget.

The total budget includes all expenditures in the Department Operating and Non-Departmental accounts. The total budget summary is prepared in accordance with Oregon Local Budget Law (ORS 294) and accounting requirements.

Budget Summary

Net Budget

Net Budget Detail

	FY14 Actual	FY15 Adopted Budget	FY15 Budget* 12/31/2014	FY16 Adopted Budget	% Change FY15 Adopted to FY16 Adopted
Total Budget	\$365,965,567	\$567,546,391	\$576,694,642	\$586,579,963	3.4%
Less Int. Expenditures/Trans./Loans	(88,336,705)	(84,303,569)	(89,023,075)	(92,705,945)	10.0%
Net Budget	277,628,862	483,242,822	487,671,567	493,874,018	2.2%
Resources					
Beginning Working Capital	167,290,751	205,433,671	180,723,363	198,229,538	-3.5%
Revenues					
Property Taxes	98,714,869	99,589,596	99,589,596	106,106,159	6.5%
Other Taxes	16,924,462	17,344,500	17,344,500	18,041,000	4.0%
Licenses/Permits	16,779,287	15,014,132	15,014,132	15,474,162	3.1%
Intergovernmental	23,235,372	22,200,194	37,552,068	25,452,055	14.6%
Charges for Services/Rental	174,465,826	175,837,052	178,046,768	188,784,412	7.4%
Fines/Forfeitures	3,358,541	3,293,725	3,401,661	3,867,403	17.4%
Miscellaneous	5,294,366	3,655,457	5,917,519	2,746,663	-24.9%
Debt Proceeds	10,580,000	8,010,000	17,904,058	8,300,000	3.6%
Interfund Transfers/Loans	27,913,343	14,066,499	17,999,412	16,432,271	16.8%
Principal on Notes/Assessments	1,826,530	3,101,565	3,201,565	3,146,300	1.4%
Total Revenue	379,092,596	362,112,720	395,971,279	388,350,425	7.2%
Less Internal Expenditures	(60,423,362)	(70,237,070)	(71,023,663)	(76,273,674)	8.6%
Less Interfund Transfers/Loans	(27,913,343)	(14,066,499)	(17,999,412)	(16,432,271)	16.8%
Net Revenues	290,755,891	277,809,151	306,948,204	295,644,480	6.4%
Net Resources	458,046,642	483,242,822	487,671,567	493,874,018	2.2%
Requirements					
Department					
Department Operating	257,736,599	286,846,725	297,778,322	306,706,841	6.9%
Less Internal Expenditures	(60,423,362)	(70,237,070)	(71,023,663)	(76,273,674)	8.6%
Net Department Operating**	197,313,237	216,609,655	226,754,659	230,433,167	6.4%
Non-Departmental					
Capital	33,732,056	90,652,264	93,046,861	93,449,468	3.1%
Debt Service	20,340,287	20,530,673	20,563,027	21,395,565	4.2%
Interfund Transfers/Loans	27,913,343	14,066,499	17,999,412	16,432,271	16.8%
Special Payments	26,243,282	34,563,578	34,413,897	37,581,859	8.7%
Contingency/Reserves	0	57,716,625	43,583,409	45,702,889	-20.8%
UEFB/Balance Available	0	63,170,027	69,309,714	65,311,070	3.4%
Total Non-Departmental	108,228,968	280,699,666	278,916,320	279,873,122	-0.3%
Less Interfund Transfers/Loans	(27,913,343)	(14,066,499)	(17,999,412)	(16,432,271)	16.8%
Net Non-Departmental	80,315,625	266,633,167	260,916,908	263,440,851	-1.2%
Net Requirements	\$277,628,862	\$483,242,822	\$487,671,567	\$493,874,018	2.2%

* Includes changes from December 2014 Supplemental Budget.

** Net Department Operating Detail:

<i>Central Services</i>	\$22,917,604	\$25,271,242	\$28,918,277	\$26,179,362	3.6%
<i>Fire and EMS Department</i>	32,849,474	33,870,512	35,044,870	35,519,221	4.9%
<i>Library, Recreation and Cultural Svcs.</i>	24,013,787	26,522,255	27,459,559	27,735,754	4.6%
<i>Planning and Development</i>	16,526,653	19,504,262	21,641,135	19,960,147	2.3%
<i>Police Department</i>	48,094,101	49,666,021	52,673,834	52,948,420	6.6%
<i>Public Works</i>	52,911,618	61,775,363	61,016,984	68,090,263	10.2%
Net Department Operating	\$197,313,237	\$216,609,655	\$226,754,659	\$230,433,167	6.4%

Note: There was an error in Beginning Working Capital for FY15 Budget 12/31/2014, overstating this number by \$305,585. The correction was made on Supplemental Budget #2 in June 2015 and is not reflected in this schedule.

Permanent Tax Rate

The City of Eugene levies its permanent tax rate of \$7.0058 per \$1,000 of taxable assessed value; although the effective tax rate paid in FY16 is expected to be about \$6.90 per \$1,000 of assessed value due to the impact of the urban renewal tax increment calculation on overlapping tax rates. The permanent tax rate generates property taxes for the City's General Fund operations. In addition, voters have approved other special property tax levies as described below.

Bonded Debt Levies

Voters have authorized the following General Obligation bonds to be repaid with property taxes:

- In November 2012, a five-year street repair bond issue in the amount of \$43 million was approved to fix 76 streets and provide funding for bicycle and pedestrian projects. FY15 was the first year taxes were levied for this purpose.
- In November 2006, \$27.5 million was approved for parks, athletic fields, and open space preservation.
- In May 2002, \$8.7 million was approved for construction of a downtown fire station located at 13th Avenue and Willamette Street.
- In November 1998, \$25.3 million was approved for parks and open space projects.
- In September 1995, \$19 million was approved for construction of the Emergency Services Center located at 2nd Avenue and Chambers Street and other public safety projects.

The estimated tax rate to pay this debt in FY16 is \$1.10 per \$1,000 of taxable assessed value, slightly higher than the debt tax rate of \$1.09 in FY15.

Total Taxes

The estimated total taxes for the City of Eugene and the Eugene Urban Renewal Agency for a typical single-family home, which include voter approved bonds and levies and the Urban Renewal Districts, are expected to increase by \$46 in FY16. This increase is due to projected growth in the assessed taxable value of a typical single-family home.

City and Urban Renewal Taxes for a Typical Single-Family Home

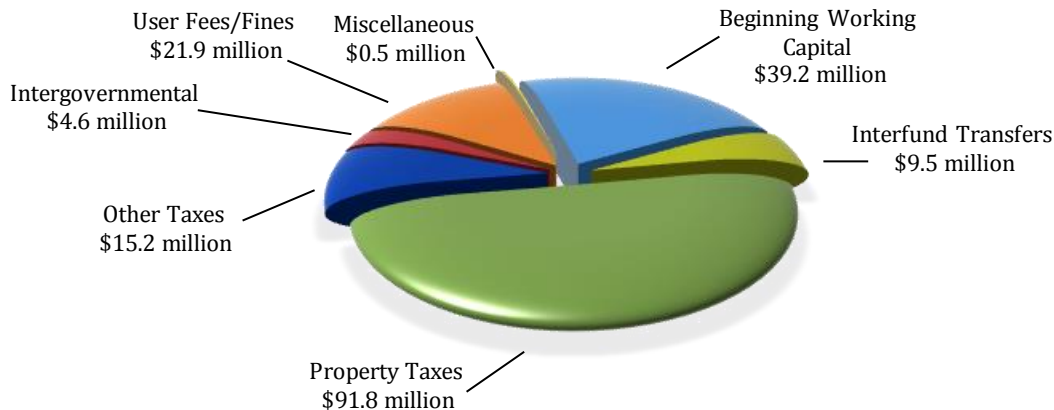
		FY15	FY16 Estimate
City Permanent Operating Levy		\$1,268	\$1,306
City Bonded Debt Taxes		201	207
	Total City Taxes	1,469	1,513
Urban Renewal Agency Taxes		50	52
	Total Taxes	\$1,519	\$1,565
Assessed taxable value of a typical single-family home in Eugene*		\$183,945	\$189,463

*FY15 value provided by Lane County Assessment & Taxation; assumed increase of 3% for FY16.

The tax bill includes the Downtown and Riverfront Urban Renewal districts. These are not added costs to taxpayers, but represent a redistribution of taxes from other overlapping districts.

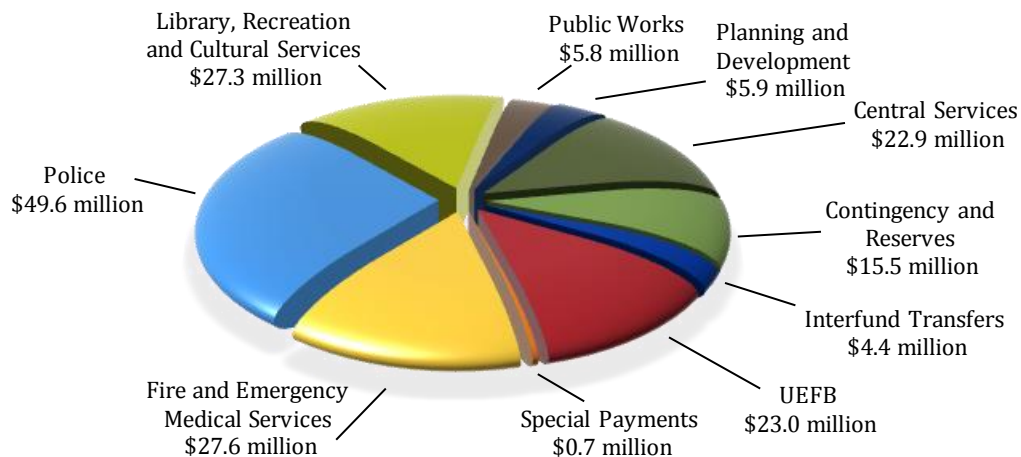
The General Fund is made up of three subfunds: the Main subfund (\$174.2 million), the Cultural Services subfund (\$7.6 million), and the Equipment Replacement subfund (\$0.9 million). Property taxes continue to remain the largest revenue source in the General Fund, representing 50.3% of total General Fund resources, and 64.0% of the total General Fund operating revenue sources (excluding carryover balance):

Total General Fund Resources — \$182.7 Million All Subfunds



General Fund resources are up 8.3% from the FY15 Adopted Budget. Beginning Working Capital is up by 13.8%, and property taxes are up by 6.9%. The total FY16 Adopted General Fund Budget of \$182.7 million is \$14.0 million higher than the FY15 Adopted Budget.

Total General Fund Requirements — \$182.7 Million All Subfunds



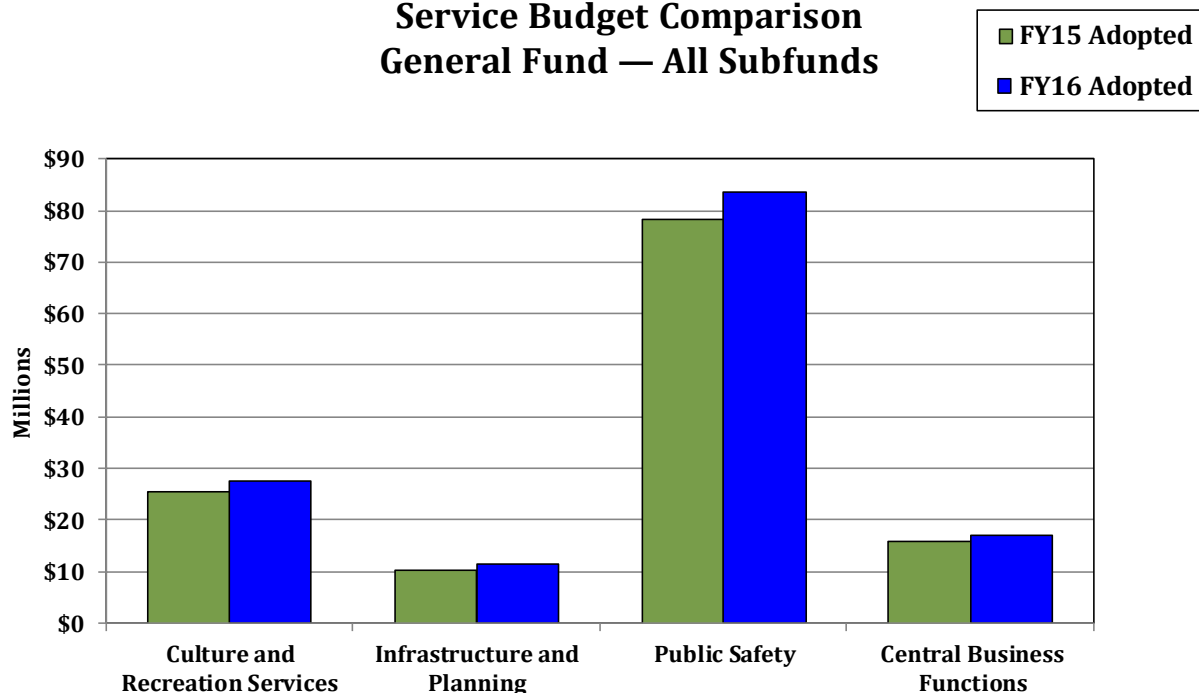
The FY16 Adopted General Fund department operating budget is \$139.2 million, which is approximately \$8.5 million more than the FY15 Adopted Budget. The increase is due to normal inflationary budget increases such as cost of living adjustments and increases in health benefit premiums, as well as increases in PERS and OPSRP rates and an increase to personnel costs associated with an arbitration award related to union contract negotiations. Increased costs are also attributed to City Council's decision to fund the City's sick leave ordinance, on-going restoration of services at the Sheldon Library branch, limited-term Evidence Control Unit staffing, as well as one-time funding for the Human Services Commission. Additionally, as the City recovers from the recent recession, rates for some of the internal service funds have been increased to more sustainable levels rather than relying on drawing down available balances to cover costs.

The FY16 Adopted Budget includes a Reserve for Revenue Shortfall budgeted at \$9.5 million and a Reserve for Property Tax Appeals budgeted at \$695,000. The Reserve for Revenue Shortfall of \$9.5 million represents approximately 6.8% of the General Fund operating budget, which is below the target for this reserve of 8% of expenditures.

The services provided by the City rely heavily on employees such as firefighters, police officers, librarians and planners. As a result, personnel services costs comprise 76.2% of the FY16 Adopted operating budget for the General Fund.

The largest use of General Fund dollars is for the Police Department, which accounts for \$49.6 million, followed by the Fire and Emergency Medical Services Department at \$27.6 million. Together, these two departments represent 55.5% of the total General Fund operating budget.

**Service Budget Comparison
General Fund — All Subfunds**



The FY16 General Fund operating budget represents a continued effort to create a stable budget that provides quality public services while maintaining prudent reserves. The increase to internal service fund rates for facility, fleet, risk and information technology allows those funds to

discontinue the use of reserves to maintain services, but does result in cost increases to the General Fund.

Specific changes in General Fund department operating budgets include on-going funding for the Sheldon Branch Library (\$315,000), sick leave pay for temporary employees (\$300,000), and a contract with BOLI related to the implementation of the paid sick leave bill (\$35,000). Limited duration funding for Evidence Control Unit staffing (\$250,000), the Human Services Commission discretionary payment (\$250,000), and Neighborhood Services newsletter outreach and matching grants (\$55,000) are also included in the General Fund department operating budgets.

The Planning and Development budget increase of 3.3% is significantly less than other departments due to the removal of \$100,000 of Woolworth Building lease guarantee funds from the FY16 budget. Due to the successful leasing of space in the building, the City's guarantee contract has been significantly reduced.

**General Fund Operating Budget Summary by Department
All Subfunds**

Department	FY15 Adopted Budget	FY16 Adopted Budget	FY15-16 Change
Central Services	\$21,551,815	\$22,906,243	6.3%
Fire and Emergency Medical Services	26,036,523	27,594,830	6.0%
Library, Recreation and Cultural Services	25,749,255	27,348,754	6.2%
Planning and Development	5,729,842	5,919,055	3.3%
Police	46,194,367	49,611,910	7.4%
Public Works	5,430,730	5,790,248	6.6%
Total	\$130,692,532	\$139,171,040	6.5%

Budget Summary

General Fund (Main Subfund) Reserves

General Fund (Main Subfund) reserves are a way that the City plans for financial flexibility to handle unexpected events and allow the City to pay for regular operations until property taxes are received. Maintenance of adequate reserve levels is a critical factor in the City's "Aa1" bond rating from Moody's Investors Service. A high credit rating translates into lower borrowing costs on street bonds and other borrowings, saving taxpayer dollars.

For the FY16 Adopted Budget, reserves are projected to increase by \$4.3 million, or 15.1%, from the FY15 Adopted Budget levels (excluding reserve for encumbrance). The increase in FY16 budget reserves is primarily due to three main factors: (i) the audited actual carry-over balance from FY14 was higher than anticipated when the FY15 Adopted Budget was prepared; (ii) FY15 revenues are expected to be moderately higher than budgeted; and (iii) FY15 expenditures are expected to be less than budgeted. FY16 reserves are, however, less than target reserve levels for the City.

There are four components of the FY16 Adopted Budget reserves. The first reserve is the Unappropriated Ending Fund Balance (UEFB) which equals \$23.0 million, or two months of expenditures in the FY16 Budget. This reserve enables the City to pay bills and make payroll between the start of the fiscal year in July until November when property tax revenue is received. The UEFB allows the City to operate during that time without borrowing money. By utilizing this reserve the City does not have to pay borrowing costs to provide services prior to property tax collection and is also able to earn interest on reserve balances.

The next reserve, called the Reserve for Revenue Shortfall (RRSF), is set at \$9.5 million in the FY16 Adopted Budget, or about 6.8% of expenditures. The target for this reserve is set at 8% of General Fund expenditures, so the FY16 Adopted Budget level is below the target. The third reserve is designed to buffer the potential impacts from large property tax appeals, and it is set at \$695,000. The Property Tax Reserve was reduced by \$55,000 from the \$750,000 amount presented in the FY16 Proposed Budget to provide funds to Neighborhood Services for newsletter outreach and matching grants as recommended by the Budget Committee. These funds are expected to be returned to the reserve as part of the Marginal Beginning Working Capital adjustment on Supplemental Budget 1 in December 2015, if there are sufficient funds to restore that amount. Finally, the fourth reserve is the Reserve for Encumbrance, which is set at \$2.7 million for contracts that are in progress but are not expected to be completed by June 30, 2015.

All together, these four reserves total 26.0% of General Fund expenditures or about three months of expenditures. To put this in perspective, three months of expenditures is on the low end of what financial experts recommend as a best practice for families to keep in their emergency savings account.

Adopted Budget	FY11	FY12	FY13	FY14	FY15	FY16
UEFB	\$20,153,224	\$21,260,000	\$21,150,000	\$21,670,000	\$21,710,000	\$23,040,000
RRSF	10,422,039	7,945,638	10,428,107	4,895,575	6,134,237	9,451,371
Other	200,000	1,000,000	1,000,000	1,000,000	1,000,000	695,000
Encumbrance	1,281,555	2,111,101	2,188,759	1,556,669	1,714,021	2,723,809
Total	\$32,056,818	\$32,316,739	\$34,766,866	\$29,122,244	\$30,558,258	\$35,910,180
As a % of Expenditures						
UEFB	16.5%	16.7%	16.7%	16.7%	16.7%	16.7%
RRSF	8.6%	6.2%	8.2%	3.8%	4.7%	6.8%

General Trends

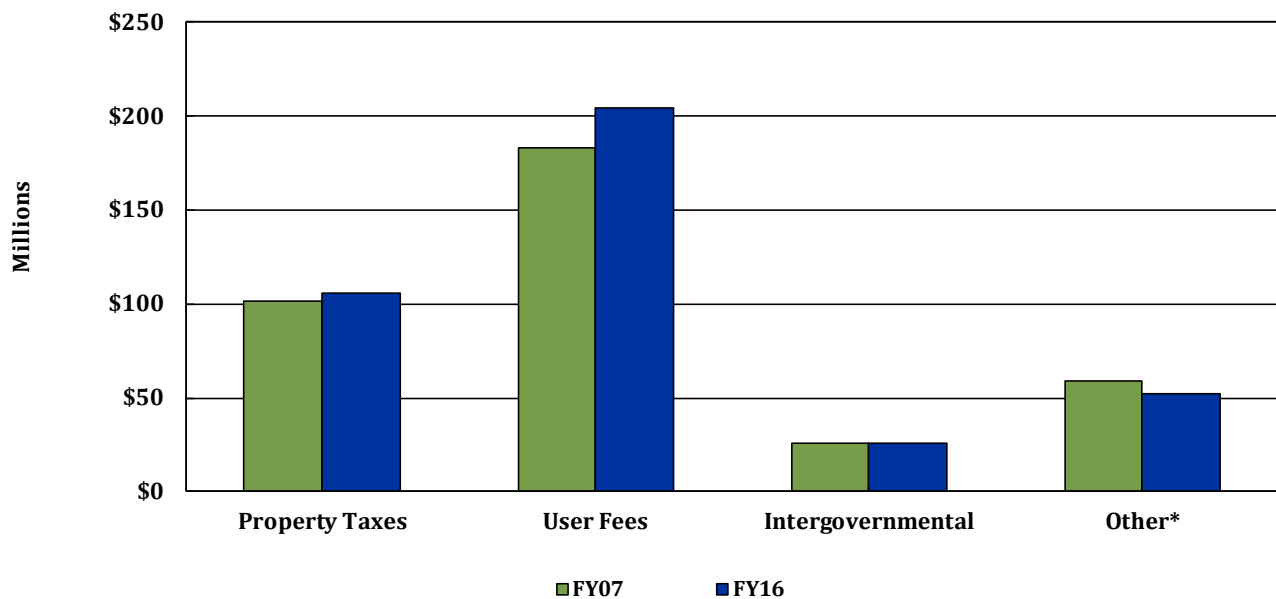
The charts below present financial trends over the last ten years. Dollar figures are presented in FY16 constant dollars - that is, the FY07 dollar amounts have been increased by the rate of inflation to make the comparisons more meaningful.

Ten-Year Comparison	FY07 Actual	FY16 Adopted	Change FY07-FY16
Full-Time Equivalent (FTE) Positions	1,538.88	1,445.11	-6.1%
Population	148,595	162,664	9.5%
Positions/1,000 Population	10.4	8.9	-14.4%
Assessed Value, constant FY16 \$	\$11,780,349,833	\$13,553,000,000	15.0%
Dept. Operating Budget, constant FY16 \$	\$285,391,535	\$306,706,841	7.5%
Property Tax as % of Current Revenue	27.5%	27.3%	-0.7%

CPI-U adjustment is based on the State of Oregon Economic and Revenue Forecast released May 2015.

User fees are the fastest growing source of revenues for the entire budget. Fees charged by special revenue and enterprise funds continue to rise to pay for the cost of operations. However, the increase in General Fund user fees has been significantly slower.

Revenue Sources - Ten-Year Comparison Constant FY16 Dollars



*Other includes other taxes, fines and forfeits, interest, interfund transfers, and debt proceeds.

City and Urban Renewal Tax Trends

The ten-year history in the chart below shows the change in property taxes over time on a typical home in the City of Eugene. For comparison purposes, the taxable assessed value for a typical single-family home, as reported by Lane County Assessment & Taxation, is used. Total City and Urban Renewal property taxes for the typical Eugene home, assuming no significant improvements or other changes, are expected to increase by \$46 in FY16.

Separate local option property tax levies for library and youth services were implemented in FY00 and FY02, respectively. While these levies expired in FY07, a reduced library levy and a \$27.5 million bond measure for parks, athletic fields, and open space preservation were approved by voters in November 2006. The library levy approved in 2006 subsequently expired in FY11. In November 2008, voters approved a \$35.9 million street bond which ended in FY14. In November 2012, voters approved a new five-year, \$43 million General Obligation bond to fix streets and FY15 was the first year this tax was levied.

City and Urban Renewal Taxes for a Typical Single-Family Home

	Assessed Value*	City Operating Taxes	City Bonded Debt Taxes	Total City Taxes	URA Taxes	Total Taxes	Constant FY16 \$**
FY07	\$143,135	\$1,179	\$52	\$1,231	\$64	\$1,295	\$1,510
FY08	148,276	1,060	82	1,142	67	1,209	1,359
FY09	153,405	1,096	90	1,186	38	1,224	1,357
FY10	158,447	1,131	187	1,318	39	1,357	1,490
FY11	163,303	1,164	195	1,359	41	1,400	1,507
FY12	168,546	1,163	192	1,355	42	1,397	1,461
FY13	172,965	1,194	194	1,388	45	1,433	1,474
FY14	177,522	1,224	197	1,421	48	1,469	1,488
FY15	183,945	1,268	201	1,469	50	1,519	1,530
FY16 Est.	189,463	1,306	207	1,513	52	1,565	1,565

*Historical values provided by Lane County Assessment & Taxation; assumed increase of 3% for FY16.

**CPI-U adjustment is based on the State of Oregon Economic and Revenue Forecast released May 2015.

Budget Summary

FTE Summary and Trends

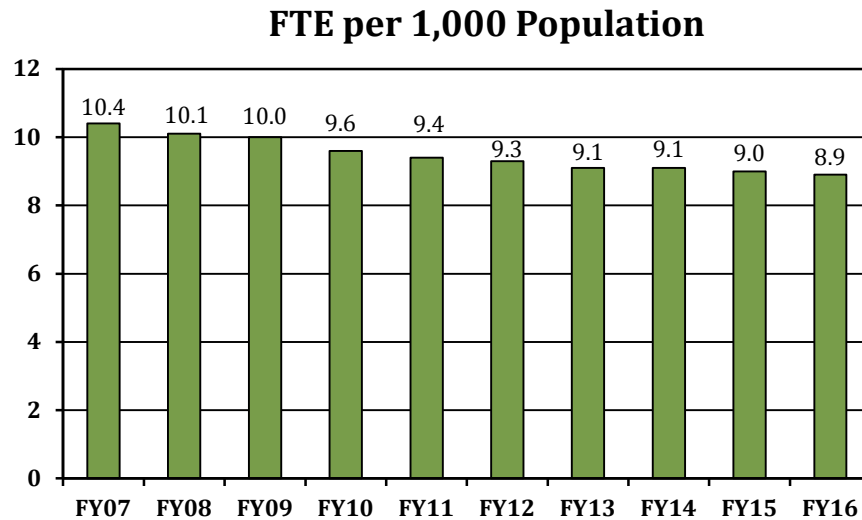
With personnel services expenditures comprising 76.2% of the General Fund operating budget, reducing the organizational footprint has been one of the main strategies for realizing ongoing savings and achieving a stable budget.

Starting in FY09, the City made a deliberate effort to bring down its employee count. Between FY09 and FY15, the City reduced its organizational footprint by over 100 full-time equivalents (FTEs) through a variety of approaches, including elimination of vacancies, voluntary severances, streamlining operations, service level reductions and changes in service delivery models. Some examples of different approaches to service delivery include contracting custodial services at the Downtown Public Library and consolidation of Fire and EMS services with the City of Springfield. Even as the City's population and corresponding demand for municipal services grew by 8.2% from FY07 to FY15, the City's position count was reduced by 7.1% from the peak in FY09. The FY16 Adopted Budget adds 5.0 FTE. The additional positions are located in self-supporting funds and include 3.0 (2.0 Residential Inspectors and 1.0 Structural Engineer) in Planning and Development in the Construction and Rental Housing Fund, 1.0 for a Fire Maintenance Worker in the General Fund, and 1.0 Landscape Designer in Public Works in the Professional Services Fund.

Year*	Eugene Pop.	General Fund FTE	Non-GF FTE	Total FTE	FTE per 1,000 Pop.	Major Staffing Changes
FY07	148,595	850.82	688.06	1,538.88	10.4	Add Police, Construction Permit, Parks Maintenance staff, Police Auditor office
FY08	153,690	898.42	650.71	1,549.13	10.1	Library and Youth programing staff addition
FY09	154,620	901.42	648.71	1,550.13	10.0	No major changes
FY10	157,100	883.17	627.36	1,510.53	9.6	FY10 organizational footprint reductions
FY11	156,295	871.62	595.41	1,467.03	9.4	FY11 footprint reductions, Fire Svcs. merger, and downtown safety
FY12	157,010	871.57	586.46	1,458.03	9.3	Mid-year deauthorizations
FY13	158,335	855.82	591.06	1,446.88	9.1	Library, Court and Parks reductions, eliminate vacant positions
FY14	159,580	852.15	597.06	1,449.21	9.1	Airport Fund added 3.0 FTE mid-year
FY15 12/31/2014	160,775	837.05	603.06	1,440.11	9.0	Civic leadership and community engagement services, Parks maintenance and Downtown Library reductions, addition to animal services
FY16 Adopted	162,664	838.05	607.06	1,445.11	8.9	Add 3.0 FTE in PDD, 1.0 in Fire, 1.0 in Public Works

* Unless otherwise noted, FTE figure shown is the authorized FTE at the end of each fiscal year.

Over the past 10 years, the ratio of City FTEs per 1,000 population has declined from a high point of 10.4 in FY07 to 8.9 in the FY16 Adopted Budget. With the service area population growing and the City's organizational footprint shrinking, the number of City FTEs per 1,000 population is now lower than at any point in at least the past 30 years.



While the majority of positions eliminated over the past several years were vacant due to retirements or voluntary separations, some were filled. The Executive Management Team and Human Resources staff worked diligently with union representatives and employees to identify other opportunities in the City organization for employees whose positions were affected by budget reductions. As a result of those efforts, a significant reduction in the organizational footprint was achieved with minimal layoffs.

Even as the City's overall organizational footprint was being reduced, several new positions were added in areas identified as high priority by the City Council. For example, in FY11, six new positions were added in the Police Department to enhance downtown public safety and to address property crime. Revenue-supported positions were added for FY14 and FY16 in the Planning and Development Department to support the City's economic development efforts.

The following summary provides a breakdown of FTE changes by department over the past five years:

Department	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Current	FY16 Adopted	Change FY12-FY16
Central Services	220.17	218.67	220.00	217.50	217.50	-1.2%
Fire and Emergency Medical Services	205.00	205.00	205.00	205.00	206.00	0.5%
Library, Recreation and Cultural Services	185.40	177.25	177.25	172.80	172.80	-6.8%
Planning and Development	97.05	97.05	97.55	95.40	98.40	1.4%
Police	330.66	327.16	327.16	328.16	328.16	-0.8%
Public Works	419.75	421.75	422.25	421.25	422.25	0.6%
Total	1,458.03	1,446.88	1,449.21	1,440.11	1,445.11	-0.9%

FTE by Service Area

The City of Eugene works each year to respond to the evolving needs and growth of the community. Comparing full-time positions in the FY16 Adopted Budget to the FY07 Adopted Budget shows that the City has reduced FTE in each of the four service areas in response to the economic downturn.

	FY07	FY16	Change
Department	Actual	Adopted	FY07-FY16
Central Business Functions	173.25	164.45	-5.1%
Culture and Recreation	200.60	173.55	-13.5%
Infrastructure and Planning	604.06	561.01	-7.1%
Public Safety	560.97	546.10	-2.7%
Total	1,538.88	1,445.11	-6.1%

Some of the changes that have occurred during this period include:

- Central Business Functions staffing has decreased over the last ten years due to efficiency gains through leveraging technology, and as a result of organizational footprint reductions and streamlined operations.
- Culture and Recreation staffing has decreased due to reductions of library hours at all three branches as well as organizational footprint reductions and streamlined operations.
- Infrastructure and Planning has decreased over the years, primarily as a result of eliminating positions in Facilities, Building and Permit Services, Engineering and Parks and Open Spaces as part of the organizational footprint reductions and response to economic conditions. Positions were added in FY14 and FY16 in response to the improved economy and increased service demand.
- Public Safety staffing has decreased due to elimination of vacant positions in the Fire and Emergency Medical Services Department and decreases in administrative positions, offset by increases in police officer staffing and the addition of a fire station. A Fire Maintenance Worker was added in FY16.

Overall, the FY16 Adopted Budget reflects an increase of 5.0 FTE from 1,440.11 FTE in the FY15 Budget as of 12/31/2014.

Budget Summary

FTE Summary and Trends

FTE by Department and Fund

FUND	Central Services	Fire and EMS	Library, Rec. and Cultural Svcs.	Planning and Development	Police	Public Works	Total
Ambulance Transport		30.08					30.08
Community Development				7.54			7.54
Construction and Rental Housing		2.00		42.45		4.00	48.45
Facilities Services	54.00			0.30			54.30
Fleet Services						30.20	30.20
General	121.11	168.66	172.80	28.76	310.30	36.42	838.05
Information Systems and Services	22.00						22.00
Municipal Airport		5.26			3.00	37.41	45.67
Parking Services	3.55			14.50			18.05
Professional Services						41.54	41.54
Public Safety Communications					14.86		14.86
Risk and Benefits	13.93						13.93
Road						60.51	60.51
Solid Waste and Recycling				4.35			4.35
Special Assessment Management	1.00						1.00
Stormwater Utility						87.98	87.98
Systems Development Capital Projects				0.50		1.45	1.95
Telecom Registration/Licensing	1.91						1.91
Wastewater Utility						122.74	122.74
Total	217.50	206.00	172.80	98.40	328.16	422.25	1,445.11